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ANNUAL REPORT of the OKLAHOMA TAX COMMISSION

FISCAL YEAR ENDED JUNE 30, 1986

THE STATE SEAL

The Great Seal of the State of Oklahoma is centered by a five-point star, bearing a three-figured symbol of the Frontiersman, the Indian, and Justice. The Latin "Labor Omnia Vincit", meaning "Labor Conquers All Things", appears directly above these figures. A seven-point star bearing a wreath of oak leaves, symbol of the Cherokee Nation, appears in the upper left hand ray of the central design. The upward ray depicts an Indian warrior with bow and shield, the ancient seal of the Chickasaw Nation. The emblem of the Choctaw Nation appears in the upper right hand ray and is comprised of a tomahawk, a bow and three crossed arrows. The Seminole Nation is represented by houses and a factory beside a lake on which an Indian hunter maneuvers his canoe, and appears in the lower right hand ray of the five-point star. In the lower left hand ray is the symbol of the Creek Nation, depicted by a sheaf of wheat and a plow. Surrounding the central star are forty-five small stars, representing the forty-five states that comprised the Union at the time the seal was adopted in 1907. Oklahoma entered statehood November 16, 1907.

OKLAHOMA CONSTITUTION
Article VI, Section 35

ANNUAL REPORT

of the

OKLAHOMA TAX COMMISSION

FISCAL YEAR ENDED JUNE 30, 1986

Prepared by the Office of Economic Research

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OKLAHOMA TAX COMMISSION

STATE OF OKLAHOMA

ROBERT L. WADLEY, Vice-Chairman
DON KILPATRICK, Sec'y-Member

2501 LINCOLN BLVD.
OKLAHOMA CITY, OKLAHOMA 73194-0001

March 19, 1987

To The Honorable Henry Bellmon, Governor,
and Members of the Oklahoma Legislature:

Submitted herein is the Annual Report of the Oklahoma Tax Commission for the fiscal year ended June 30, 1986.

This report is intended to serve as a general reference to the organization of the Tax Commission and to the tax sources under our administration.

Total collections from all tax sources administered by the Commission during Fiscal Year 1986 totaled $3,506,046,259.25. Gross collections from state-levied taxes, licenses and fees, exclusive of city/county sales and city use taxes, amounted to $3,042,890,297.00.

We continue to make significant progress in the areas of tax processing and compliance, and maintain our pledge of fair and just administration of the tax laws of the State of Oklahoma.

Respectfully submitted,

Robert L. Wadley, Vice Chairman

Don Kilpatrick, Secretary-Member

BACKGROUND SUMMARY OF THE OKLAHOMA TAX COMMISSION

The Oklahoma Tax Commission, from its inception in 1931, has been responsible for the collection and administration of various tax sources and the apportionment of these revenues to state funds which provide monies for education, transportation, recreation, social welfare, and the myriad of other services provided for the citizens of Oklahoma.

The Tax Commission is comprised of three members (Chairman, Vice Chairman, and Secretary-Member) who are appointed by the Governor with the advice and consent of the State Senate and serve terms of six years each.

It is the Commission's responsibility to supervise the administration and enforcement of state tax laws and the collection of a majority of all state-levied taxes and fees.

The Commission directs the collection and distribution of the tax and license sources under its administration and, by statute, is responsible for apportioning such tax revenues to the various state funds. In addition, the Oklahoma Tax Commission allocates directly to local units of government certain state-collected levies earmarked to counties, school districts and municipalities. On a contract basis with individual municipalities and counties, the Tax Commission is involved with the administration, collection and distribution of city and county sales and city use taxes.

To provide effective administration, the Tax Commission currently consists of 18 separate divisions, each with its own director and staff. Nine of these divisions are concerned with direct administration of specific taxes and fees. These revenue divisions are:

- Ad Valorem & Documentary Stamps
- Alcohol & Tobacco
- Estate & Unclaimed Property
- Franchise
- Gross Production
- Income Tax
- Motor Fuel
- Motor Vehicle
- Sales & Use Tax

Specialized service divisions include:

- Enforcement Division — Performs general enforcement and delinquent tax collection services.
- Legal Division — Prepares briefs for hearings, conducts court cases, and formulates and interprets tax laws.
- Management Information Systems Division — Provides computerized storage, retrieval, and processing of the fiscal records of all tax-collecting divisions.
- Management Services Division — Encompasses accounting and budgeting functions, economic studies and public information services.
- Revenue Processing Division — Handles millions of dollars every working day of the year and processes more mail than do any but the very largest U.S. Post Offices serving Oklahoma.
- Supply and Microfilm Division — Films and stores millions of tax returns every year.
- Personnel Division — Develops and administers policies with respect to agency staffing, employment practices, employee benefits, wage & salary administration and employee payroll services.
- Printing and Reproduction Division — Handles the voluminous printing requirements of the Commission.

Providing administrative support through the Headquarters Division are the Administrative Assistants and Law Judges.

REVIEW OF 1985-86 TAXES AND COLLECTIONS

INCOME TAX GROSS COLLECTIONS	$ 1,011,481,103.62 *
REFUNDED	$ 216,758,232.16 **
NET INCOME TAX REVENUE	$ 794,722,871.46

*Includes $32,033,538.31 of estimated payments credited to next year's tax liability.
**Includes $202,709.96 contributed to Non-game Wildlife Fund.

INDIVIDUAL INCOME TAX NET $ 687,645,842.25

Two methods of computation can be used. If Federal Income Tax is not deducted, Method I rates must be used. If Federal Income Tax is deducted, Method II rates must be used. The tax liability is the lesser of the two computations.

METHOD I — No Federal Income Tax Deduction

Single: From ½ of 1% of the first $1,000 of taxable income and graduated up to $195.00 plus 6% of income over $7,500.

Married: From ½ of 1% of the first $2,000 of taxable income and graduated up to $390.00 plus 6% of income over $15,000.

METHOD II — Deducting Federal Income Tax

Single: From ½ of 1% of the first $1,000 of taxable income and graduated up to $5,290.00 plus 17% of income over $49,000.

Married: From ½ of 1% of the first $2,000 of taxable income and graduated up to $10,675 plus 17% of income over $94,000.

Taxpayers whose filing status is Head of Household use Married rates under both methods.

The starting point to arrive at Oklahoma Taxable Income is Federal Adjusted Gross Income with certain specific exemptions. Personal exemption: $1,000 each.

CORPORATION INCOME TAX NET $ 107,077,029.21

Flat Rate: 5% of Oklahoma Taxable Income. Rate effective with tax years beginning *after* December 31, 1984.

GROSS PRODUCTION TAXES **$ 571,965,219.64**

SEVERANCE TAX $ 557,997,023.88
Oil & Gas, 7% of gross value; Uranium, 5% of gross value; Mineral Ores & Asphalt, 3/4 of 1% of gross value.

GAS CONSERVATION EXCISE TAX $ 7,177,377.75
Seven cents per MCF, less 7% of gross value.

PETROLEUM EXCISE TAX $ 6,790,818.01
Oil & Gas Excise Tax: 0.085 of 1% of gross value.

SALES AND USE TAXES **$ 651,243,861.99**

STATE SALES TAX $ 617,945,936.26
Rate: 3¼% on the sale or rental of tangible personal property and from the furnishing of specific services. There are several exemptions to the state sales tax including electricity and natural gas utility bills for residential property, prescription drugs, agricultural and general exemptions. Rate effective July 1, 1985.

STATE USE TAX $ 33,297,925.73
Rate: 3¼% on sales price of tangible personal property purchased out-of-state for use or consumption in Oklahoma. Rate effective July 1, 1985.

CITY & COUNTY SALES TAX AND CITY USE TAX (Not included above.)
Collected by the Tax Commission during the fiscal year were city sales taxes totaling $448,251,059.10 and county sales taxes totaling $8,332,668.79. City use tax collections amounted to $6,572,234.36.

VEHICLE TAXES AND LICENSES	**$ 359,378,403.82**
Aircraft Excise Tax	1,185,799.19
Aircraft License Fees	492,205.42
Amateur Radio Operators License	2,134.55
Motor License Agent Remittances	331,879,446.02
Motor Vehicle Proration	21,439,928.95
Motor Vehicle Rental Tax	1,108,863.08
Oversize Truck Permit	745,679.00
Overweight Truck Permit	2,509,285.00
Vehicle Inventory Stamps	15,062.61

MOTOR FUEL TAXES **$ 207,491,291.26**

GASOLINE TAX $ 164,645,391.62

Rate: 9.92 cents per gallon on all gasoline sold, withdrawn from storage for sale or other use, and any portion used in this state of gasoline imported in fuel tanks of vehicles used for commercial purposes. Rate effective July 1, 1985.

FUELS EXCISE TAX $ 1,505,978.91

Rate: 8/100 of 1 cent per gallon on gasoline, kerosene and naptha sold, withdrawn or used as stated above.

SPECIAL FUEL & DIESEL TAX $ 40,629,251.37

Rate: 10 cents per gallon on diesel, L.P.G., etc., used to propel vehicles on the highway, and any portion used in this state of such fuel imported in fuel tanks of vehicles used commercially. Rate effective July 1, 1985.

SPECIAL FUEL DECALS $ 710,669.36

Rate: $50 per year in lieu of use tax on L.P.G. used to propel automobiles, vans and pickup trucks not exceeding 1 ton capacity.

CIGARETTE AND TOBACCO TAXES AND LICENSES **$ 75,492,082.06**

CIGARETTE TAX $ 68,400,899.24

Cigarettes, 18 cents per pack of more than 10 but no more than 20.

CIGARETTE LICENSE $ 148,267.23

Vending Machine: $10 per year. Retail: $10 per year. Wholesale: $25 per year. Distributing Agent: $100 per year.

TOBACCO PRODUCTS TAX $ 6,942,525.59

Little Cigars (cigarette size): 18 cents per pack of 20.

Cigars weighing 3 lbs. per M or more and rated Class A or B on the Federal Code: 1 cent each.

Cigars weighing 3 lbs. per M or more and rated Class C or below on the Federal Code: 3 cents each.

Smoking Tobacco: 40% of factory list price. Chewing Tobacco: 30% of factory list price.

TOBACCO LICENSE $ 390.00

A $5 annual fee is required of all tobacco handlers who buy directly from the manufacturer.

BEVERAGE TAXES AND LICENSES **$ 53,093,371.27**

ALCOHOLIC BEVERAGE I.D. STAMPS $ 2,650,450.97
Fee: $1 per bottle regardless of size.

ALCOHOLIC BEVERAGE TAX $ 21,759,685.17
Distilled spirits: $5 per gallon. Light wines: 63 cents per gallon. Wine more than 14% alcohol: $1.25 per gallon. Sparkling wines: $1.88 per gallon. Beer more than 3.2%: $12.50 per 31 gallon barrel.

BEVERAGE TAX $ 18,413,520.21
Beer 3.2% or less: $10 per 31 gallon barrel.

BEVERAGE LICENSE (3.2% Beer) $ 473,936.60
Manufacturer: $500. Wholesale: $250. Retail: On-premise draught, $100; on-premise cans & bottles only, $50; off-premise cans & bottles only, $10.

MIXED BEVERAGE GROSS RECEIPTS TAX $ 9,795,778.32
A tax at the rate of 10 percent is levied on the total gross receipts from the sale, preparation or service of mixed beverages; ice or nonalcoholic beverages to be mixed with alcoholic beverages; admission charges to mixed beverage establishments; and on the total retail value of complimentary or discounted mixed beverages.

ESTATE TAX **$ 40,338,032.52**

Estates passing to surviving spouse are exempt *except* for any credit from the federal government which must be paid to the State. Lineal heirs are allowed an exemption of $175,000 and are taxed at rates of ½ of 1% on the first $10,000 graduated to 10% for net estates over $10 million. Collateral heirs are taxed at a rate of one percent on the first $10,000 on up to 15% on net estates above $1 million.

FRANCHISE TAX AND REGISTERED AGENT FEES **$ 31,483,361.37**

FRANCHISE TAX
Rate: $1.25 for each $1,000 or fraction thereof used or invested in an Oklahoma business enterprise. Maximum Levy: $20,000. Minimum Levy: $10.

REGISTERED AGENT FEE
Foreign corporations are assessed $40 per year for domestic representation by the Secretary of State.

RURAL ELECTRIC COOPERATIVE TAX AND LICENSE	**$**	**12,392,314.04**
TAX: 2% of gross receipts from the sale of electric service.	$	12,388,661.80
LICENSE: $1 for each 100 customers or fraction thereof.	$	3,652.24
REALTY TRANSFER TAX	**$**	**5,766,021.31**
DOCUMENTARY STAMPS: 75 cents for each $500 or fraction thereof in excess of $100 of the value of real estate transferred by a proper conveyance instrument.		
MISCELLANEOUS TAXES, FEES, LICENSES AND SPECIAL ACCOUNTS	**$**	**22,765,234.10**
Admission Fees	$	26,707.05
Coin Device Licenses		838,964.43
Data Processing Fees		32,095.40
Exempt Organization Fees		7,062.00
Fireworks Licenses		49,180.00
Freight Car Tax		1,184,425.89
MLA School Fund		61,911.26
Occupational Health & Safety Fund		907,284.80
Out-of-State Audit Fees		302,389.28
Pari-mutuel Tax		1,471,347.98
Sales Tax Permits		662,059.09
Sales Tax Vendors List		1,050.00
Salvage Dealer Licenses		3,165.00
Special Indemnity Fund		6,660,490.92
Special Printing Fund		134,284.63
Surplus Sales		4,505.40
Tax Security Fund		516,155.32
Transport & Reclaimer License Fees		29,460.24
Unclaimed Property Tax		5,484,179.33
Unclassified Receipts		(241,036.07)
Used Equipment Licenses		9,940.00
Warrant Intercept Account		994,742.15
Workers Compensation Insurance Premium Tax		3,624,870.00
GRAND TOTAL COLLECTIONS*	**$**	**3,042,890,297.00**

* City & County Sales & City Use Taxes not included.

COMPARATIVE STATEMENT OF ALL

Admission Fees	
Aircraft Excise Tax	
Aircraft License Fees	
Alcoholic Beverage I.D. Stamps	
Alcoholic Beverage Tax	
Amateur Radio Operators License	
Auto and Farm Truck License	
Beverage License	
Beverage Tax	
Boat and Motor Excise Tax	
Boat and Motor License	
Bus Mileage Tax	
Cigarette License	
Cigarette Tax	
Coin Device License	
Commercial Vehicle License	
Conservation Excise Tax	
Data Processing Fees	
Diesel Fuel Excise Tax	
Documentary Stamp Tax	
Drivers License	
Estate Tax	
Exempt Organization Fee	
Fireworks License	
Franchise Tax	
Freight Car Tax	
Gasoline & Fuels Excise Tax	
Gross Production Tax (Severance)	
Income Tax	
Manufactured Home License	
Mixed Beverage Gross Receipts Tax	
Motor License Agent Remittances	
Motor Vehicle Excise Tax	
Motor Vehicle Proration	
Motor Vehicle Rental Tax	
National Guard License Plates	
Occupational Health & Safety Tax	
Out-of-State Audit Fees	
Oversize Truck Permits	
Overweight Truck Permits	
Pari-Mutuel Tax	
Personalized License Plates	
Petroleum Excise Tax	
Rural Electric Co-op License	
Rural Electric Co-op Tax	
Sales Tax	$1,074,529,664.15
Less City Sales Tax	448,251,059.10
Less County Sales Tax	8,332,668.79

TAX COLLECTIONS THE PAST TWO YEARS

FISCAL YEAR 1985 - 86	FISCAL YEAR 1984 - 85
$ 26,707.05	$ 24,856.67
1,185,799.19	1,109,724.69
492,205.42	535,859.25
2,650,450.97	N.A.
21,759,685.17	24,331,611.21
2,134.55	2,727.90
N.A.	122,559,928.81
473,936.60	598,433.85
18,413,520.21	18,232,281.42
N.A.	1,368,420.87
N.A.	3,215,892.63
N.A.	107,652.22
148,267.23	165,946.32
68,400,899.24	72,118,028.46
838,964.43	1,094,443.39
N.A.	57,301,427.75
7,177,377.75	9,035,706.18
32,095.40	N.A.
40,173,752.37	37,315,852.21
5,766,021.31	6,609,013.66
N.A.	6,918,815.42
40,338,032.52	38,904,438.90
7,062.00	6,630.00
49,180.00	46,720.00
31,483,361.37	31,226,619.30
1,184,425.89	1,240,981.92
166,151,370.53	154,037,835.20
557,997,023.88	691,895,910.31
1,011,481,103.62	1,016,112,851.65
N.A.	2,633,063.61
9,795,778.32	N.A.
331,879,446.02	N.A.
N.A.	68,593,882.96
21,439,928.95	N.A.
1,108,863.08	632,112.80
N.A.	202.05
907,284.80	899,156.09
302,389.28	176,575.81
745,679.00	841,200.00
2,509,285.00	2,542,065.00
1,471,347.90	2,098,760.10
N.A.	220,510.15
6,790,818.01	8,432,234.91
3,652.24	3,654.35
12,388,661.80	12,534,596.86
617,945,936.26	595,528,804.28

COMPARATIVE STATEMENT OF ALL

Sales Tax Permits	
Sales Tax Vendors List	
Salvage Dealer License	
Special Fuel Decals	
Special Fuel Use Tax	
Title Fees	
Tobacco Products License	
Tobacco Products Tax	
Transport & Reclaimer License Fees	
Unclaimed Property Tax	
Use Tax	$39,870,160.09
Less City Use Tax	6,572,234.36
Used Equipment License	
Vehicle Revenue Tax Stamps	
Workers Comp. Insurance Premium Tax	
TOTAL TAX & LICENSE COLLECTIONS	
MISCELLANEOUS & SPECIAL ACCOUNTS	
Mileage Tax Security Fund	
MLA School Fund	
Motor Vehicle Escrow	
Special Indemnity Fund	
Special Printing Account	
Surplus Sales	
Tax Security Fund	
Unclassified Receipts	
Warrant Intercept Account	
TOTAL MISC. & SPECIAL ACCT. COLLECTIONS	
GRAND TOTAL COLLECTIONS*	
Cancelled Vouchers	
Amount on Hand July 1	
Adjustments	
TOTAL TO ACCOUNT FOR	

* City/county sales and city use taxes not included.

TAX COLLECTIONS THE PAST TWO YEARS

FISCAL YEAR 1985 - 86	FISCAL YEAR 1984 - 85
$ 662,059.09	$ N.A.
1,050.00	N.A.
3,165.00	3,452.00
710,669.36	772,452.84
455,499.00	458,400.76
N.A.	3,285,013.46
390.00	400.00
6,942,525.59	3,141,479.57
29,460.24	N.A.
5,484,179.33	4,244,228.46
33,297,925.73	30,245,913.66
9,940.00	10,170.00
15,062.61	12,636.41
3,624,870.00	2,810,394.25
$ 3,034,759,243.39	**$ 3,036,239,970.57**
$ ------	$ ------
61,911.26	72,032.29
N.A.	1,130,060.68
6,660,490.92	4,607,010.76
134,284.63	188,292.23
4,505.40	4,210.40
516,155.32	269,907.00
(241,036.07)	48,528.06
994,742.15	478,863.67
$ 8,131,053.61	$ 6,798,905.09
$ 3,042,890,297.00	**$ 3,043,038,875.66**
$ 1,849,479.18	$ 1,487,098.88
71,492,454.24	67,798,561.03
37,396.49	------
$ 3,116,269,626.91	**$ 3,112,324,535.57**

APPORTIONMENT OF

APPORTIONED TO:

Ad Valorem Reimbursement Fund . . . . . .
Cities and Towns . . . . . .
Counties for County Government . . . . . .
Counties for Roads . . . . . .
County Bridge Improvement Fund . . . . . .
County Road Fund . . . . . .
County Road Improvement Revolving Fund . . . . . .
Department of Corrections . . . . . .
Department of Public Safety . . . . . .
General Revenue Fund . . . . . .
Human Services Fund . . . . . .
Income Tax Adjustment Fund . . . . . .
Interstate Oil Compact Fund . . . . . .
Motor Vehicle Drivers Education Fund . . . . . .
Motor Vehicle Registration Fund . . . . . .
Motor Vehicle Registration Mailing Fund . . . . . .
Occupational Health and Safety Fund . . . . . .
Oil Conservation Fund . . . . . .
Oklahoma Aeronautics Commission Fund . . . . . .
Oklahoma Building Bond Sinking Fund . . . . . .
Oklahoma Law Enforcement Retirement Fund . . . . . .
Oklahoma Tax Commission Fund . . . . . .
Oklahoma Tax Commission Printing Fund . . . . . .
Oklahoma Tax Commission Reimbursement Fund . . . . . .
Oklahoma Tax Commission Revolving Fund . . . . . .
Oklahoma Teachers Retirement System . . . . . .
Pension Systems Reserve Fund . . . . . .
Railroad Maintenance Fund . . . . . .
Salvage Dealer Fund . . . . . .
School Districts . . . . . .
Special Indemnity Fund . . . . . .
State Highway Fund . . . . . .
Surplus Sales Fund . . . . . .
Unclaimed Property Fund . . . . . .
Used Equipment Fund . . . . . .
Wildlife Conservation Fund . . . . . .
Workers Compensation Administration Fund . . . . . .

TOTAL APPORTIONMENT

REFUNDED . . . . . .
Reserves* . . . . . .
Transfers . . . . . .

TOTAL TO ACCOUNT FOR

* Funds held in litigation or for other disposition.
a Excludes $5,313,746.53 apportioned to O.T.C. Revolving from city sales & use tax retention fees.
b Excludes $5,353,188.57 apportioned to O.T.C. Revolving from city sales & use tax retention fees.
c Includes $202,709.96 contributed to Non-game Wildlife Fund from Income Tax refunds.
d Includes $213,840.43 contributed to Non-game Wildlife Fund from Income Tax refunds.

STATUTORY REVENUES

	FISCAL YEAR 1985 - 86		FISCAL YEAR 1984 - 85
$	8,165,008.28	$	2,603,230.56
	22,573,233.68		23,611,076.28
	3,333,473.29		3,620,354.70
	124,471,023.96		132,835,709.98
	8,901,286.81		9,993,204.01
	8,943,942.13		8,742,813.83
	31,376,380.80		N.A.
	N.A.		1,049,604.15
	N.A.		2,932,417.00
	1,683,053,898.31		1,632,073,878.39
	395,697,957.58		404,593,605.67
	N.A.		5,726,798.69
	338,959.01		418,313.32
	2,500,000.00		2,500,000.00
	15,062.61		12,636.41
	197,579.96		293,169.77
	96,783.44		896,375.66
	6,479,869.97		7,979,563.34
	36,000.00		36,000.00
	45,574,577.97		47,934,967.62
	4,293,092.23		4,095,268.16
	33,687,887.51		33,131,015.96
	134,073.23		188,283.23
	32,095.40		N.A.
	553,654.21 [a]		435,023.54 [b]
	125,000,000.00		125,000,000.00
	47,293,681.53		82,403,932.78
	1,184,425.89		1,240,981.92
	3,130.00		3,452.00
	177,418,040.76		179,674,146.95
	6,644,239.08		4,599,959.54
	110,428,090.09		110,769,124.47
	4,505.40		4,210.40
	150,000.00		- - - - - -
	9,940.00		10,170.00
	107,327.32		94,692.34
	3,613,584.26		2,805,808.58
$	**2,852,312,804.71**	$	**2,832,309,789.25**
	224,152,106.03 [c]		190,861,999.84 [d]
	31,153,013.61		71,492,454.24
	8,651,702.56		17,660,292.24
$	**3,116,269,626.91**	$	**3,112,324,535.57**

STATE REVENUE AND APPORTIONMENT

WHERE IT COMES FROM		WHERE IT GOES	
Admission Fees	$ 26,707.05	Oklahoma Tax Comm. Fund	$ 691.88
Balance, July 1, 1985	2,470.85	Refunded	24,140.79
		Reserve*	4,345.23
Aircraft Excise Tax	1,185,799.19	General Revenue Fund	1,149,715.59
		Refunded	36,083.60
Aircraft License	492,205.42	County Governments	471,411.82
Cancelled Vouchers	626.00	Oklahoma Tax Commission Fund	14,579.75
		Refunded	5,934.85
		Transfer	905.00
Alcoholic Beverage I.D. Stamps	2,650,450.97	General Revenue Fund	2,570,908.35
		Oklahoma Tax Commission Fund	79,512.62
		Refunded	30.00
Alcoholic Beverage Tax	21,759,685.17	Cities and Towns	6,832,479.09
		General Revenue Fund	13,664,958.12
		Oklahoma Tax Commission Fund	633,941.34
		Refunded	628,306.62
Amateur Radio Operators License	2,134.55	Oklahoma Tax Commission Fund	2,134.55
Beverage License	473,936.60	General Revenue Fund	458,272.11
Cancelled Vouchers	150.00	Oklahoma Tax Commission Fund	9,352.49
		Refunded	6,462.00
Beverage Tax	18,413,520.21	General Revenue Fund	18,045,117.88
		Oklahoma Tax Commission Fund	368,267.70
		Refunded	134.63
Cigarette License	148,267.23	General Revenue Fund	147,868.98
		Refunded	398.25
Cigarette Tax	68,400,899.24	General Revenue Fund	22,787,288.97
		Okla. Bldg. Bond Sinking Fund	45,574,577.97
		Refunded	39,032.30
Coin Device License	838,964.43	General Revenue Fund	808,683.59
		Oklahoma Tax Commission Fund	25,010.84
		Refunded	5,270.00
Conservation Excise Tax	7,177,377.75	General Revenue Fund	7,177,377.75

STATE REVENUE AND APPORTIONMENT

WHERE IT COMES FROM		WHERE IT GOES	
Data Processing Fees	$ 32,095.40	Okla. Tax Comm. Reimbursement Fd.	$ 32,095.40
Diesel Fuel Excise Tax - 6.5¢	26,210,339.66	Counties for Roads	6,066,584.07
Balance, July 1, 1985	1,876,459.88	County Bridge Improvement Fund	1,867,370.14
Cancelled Vouchers	7,514.04	Oklahoma Tax Commission Fund	750,505.23
		Okla. Tax Comm. Revolving Fund	33,359.00
		State Highway Fund	18,199,752.16
		Refunded	1,078,294.48
		Reserve*	98,448.50
Diesel Fuel Excise Tax - 1¢	4,152,754.71	State Highway Fund	4,020,187.76
Cancelled Vouchers	1,025.74	Refunded	133,592.69
Diesel Fuel Excise Tax - 1¢ SB 618	4,152,754.71	Counties for Roads	4,020,187.76
Cancelled Vouchers	1,025.74	Refunded	133,592.69
Diesel Fuel Excise Tax - 1¢ SB 55	3,716,781.57	County Road Improvement Rev. Fd.	3,648,226.70
Cancelled Vouchers	152.90	Refunded	68,707.77
Diesel Fuel Excise Tax - ½¢	1,941,121.72	Counties for Roads	1,874,846.13
Cancelled Vouchers	513.99	Refunded	66,789.58
Documentary Stamp Tax	5,766,021.31	General Revenue Fund	5,576,255.93
		Oklahoma Tax Commission Fund	181,834.74
		Refunded	7,930.64
Estate Tax	40,338,032.52	General Revenue Fund	39,545,439.10
Cancelled Vouchers	1,467.45	Refunded	794,060.87
Exempt Organization Fee	7,062.00	General Revenue Fund	7,062.00
Fireworks License	49,180.00	General Revenue Fund	47,122.60
Balance, July 1, 1985	640.00	Oklahoma Tax Commission Fund	1,457.40
		Refunded	1,030.00
		Reserve*	210.00
Franchise Tax	31,483,361.37	General Revenue Fund	31,169,123.35
Cancelled Vouchers	3,741.24	Refunded	317,979.26
Freight Car Tax	1,184,425.89	Railroad Maintenance Rev. Fund	1,184,425.89
Balance, July 1, 1985	2,478.17	Reserve*	2,478.17
Fuels Excise Tax - 8/100¢	1,505,978.91	General Revenue Fund	1,469,929.82
Cancelled Vouchers	1.76	Oklahoma Aeronautics Commission	36,000.00
		Refunded	50.85

STATE REVENUE AND APPORTIONMENT

WHERE IT COMES FROM		WHERE IT GOES	
Gasoline Excise Tax - 6.42¢	$ 107,545,588.37	Cities and Towns	$ 5,008,024.04
Balance, July 1, 1985	20,748.38	Counties for Roads	21,961,854.71
Cancelled Vouchers	141.89	County Bridge Improvement Fund	7,011,233.63
		General Revenue Fund	73,450.99
		Oklahoma Tax Commission Fund	3,004,814.40
		State Highway Fund	70,112,336.27
		Refunded	321,090.91
		Reserve*	73,673.69
Gasoline Excise Tax - 1¢ HB 695	16,779,150.17	State Highway Fund	16,778,542.42
Cancelled Vouchers	22.10	Refunded	629.85
Gasoline Excise Tax - 1¢ SB 618	16,779,150.17	Counties for Roads	16,722,613.99
Cancelled Vouchers	22.10	General Revenue Fund	55,928.43
		Refunded	629.85
Gasoline Excise Tax - 1¢ SB 55	15,165,678.44	County Road Improve. Rev. Fd.	15,165,471.24
Cancelled Vouchers	2.68	Refunded	209.88
Gasoline Excise Tax - ½¢	8,375,824.47	Counties for Roads	8,347,602.76
Cancelled Vouchers	11.07	General Revenue Fund	27,918.38
		Refunded	314.40
Gift Tax (Repealed Jan. 1, 1982)	------	General Revenue Fund	900,000.00
Balance, July 1, 1985	906,766.74	Refunded	557.06
		Reserve*	6,209.68
Gross Production Tax on Gas	307,688,389.45	Counties for Roads	22,619,784.31
Balance, July 1, 1985	8,320,251.10	General Revenue Fund	90,724,164.24
Cancelled Vouchers	163.34	Oklahoma Tax Commission Fund	4,535,747.96
		Okla. Teacher Retirement System	125,000,000.00
		Pension Systems Reserve Fund	47,293,681.53
		School Districts	22,695,379.02
		Refunded	315,703.12
		Reserve*	2,824,343.71
Gross Production Tax on Oil & Minerals	250,308,634.43	Counties for Roads	17,679,963.51
Balance, July 1, 1985	944,089.49	General Revenue Fund	211,130,526.62
Cancelled Vouchers	69.08	Oklahoma Tax Commission Fund	3,496,684.81
		School Districts	17,738,240.95
		Refunded	218,947.59
		Reserve*	988,429.52
Income Tax	1,011,481,103.62	Ad Valorem Reimbursement Fund	8,165,008.28
Balance, July 1, 1985	45,000,000.00	General Revenue Fund	800,170,814.56
Cancelled Vouchers	1,777,959.66	Oklahoma Tax Commission Fund	8,165,008.28
		Refunded	216,758,232.16
		Reserve*	25,000,000.00

STATE REVENUE AND APPORTIONMENT

WHERE IT COMES FROM		WHERE IT GOES	
Mileage Tax Security Fund	$ ------	Reserve*	$ 9,211.29
Balance, July 1, 1985	9,211.29		
Mixed Beverage Gross Receipts Tax	9,795,778.32	General Revenue Fund	9,500,035.05
		Oklahoma Tax Commission Fund	293,815.51
		Refunded	1,927.76
Motor Vehicle Collections			
Motor License Agt. Remit.	331,879,446.02	Cities and Towns	10,732,730.55
Motor Vehicle Proration	21,439,928.95	Counties for Roads	25,043,037.97
Motor Vehicle Rental Tax	1,108,863.08	County Government	2,862,061.47
MLA School Fund	61,911.26	County Road Fund	8,943,942.13
Overweight Truck Permits	2,509,285.00	County Road Improve. Rev. Fd.	12,521,518.98
Balance, July 1, 1985**	12,369,612.19	Drivers Education Fund	2,500,000.00
Cancelled Vouchers	6,564.55	General Revenue Fund	144,448,753.90
		Human Services Fund	12,521,518.98
		Mtr. Veh. Registr. Mailing Fund	197,579.96
**Includes one-time distribution from Motor Vehicle Escrow resulting from change in apportionment formula.		Okla. Law Enforcement Ret. Fd.	4,293,092.23
		Oklahoma Tax Commission Fund	10,763,539.81
		Okla. Tax Commission Rev. Fund	217,391.25
		School Districts	125,215,189.78
		State Highway Fund	1,073,273.05
		Wildlife Conservation Fund	107,327.32
		Refunded	278,598.26
		Prorate Transfer	7,656,055.41
Occup. Health & Safety Tax	907,284.80	General Revenue Fund	807,999.81
Cancelled Vouchers	28.69	Spec. Occup. Health & Safety Fund	96,783.44
		Refunded	2,530.24
Out-of-State Audit Fees	302,389.28	Okla. Tax Commission Rev. Fund	301,853.96
		Refunded	535.32
Oversize Truck Permits	745,679.00	General Revenue Fund	745,679.00
Pari-Mutuel Tax	1,471,347.98	General Revenue Fund	1,397,780.56
		Oklahoma Tax Commission Fund	73,567.42
Petroleum Excise Tax on Gas	3,576,733.28	Interstate Oil Compact Fund	161,848.52
Balance, July 1, 1985	95,522.10	Oil Conservation Fund	3,436,786.06
Cancelled Vouchers	1.96	Refunded	52,151.86
		Reserve*	21,470.90
Petroleum Excise Tax on Oil & Minerals	3,214,084.73	Interstate Oil Compact Fund	177,110.49
Balance, July 1, 1985	20,275.27	Oil Conservation Fund	3,043,083.91
Cancelled Vouchers	0.84	Refunded	2,953.36
		Reserve*	11,213.08
Rural Electric Co-op License	3,652.24	General Revenue Fund	3,652.24

STATE REVENUE AND APPORTIONMENT

WHERE IT COMES FROM		WHERE IT GOES	
Rural Electric Co-op Tax	$ 12,388,661.80	Oklahoma Tax Commission Fund	$ 619,430.79
		School Districts	11,769,231.01
Sales Tax (State Only)	617,945,936.26	General Revenue Fund	234,923,858.78
Cancelled Vouchers	640.58	Human Services Fund	382,519,931.03
		Refunded	502,787.03
Sales Tax Permits	662,059.09	Oklahoma Tax Commission Fund	659,824.09
		Refunded	2,235.00
Sales Tax Vendors List	1,050.00	Okla. Tax Comm. Revolving Fund	1,050.00
Salvage Dealers License	3,165.00	Salvage Dealers Fund	3,130.00
		Refunded	35.00
Special Fuel Decals	710,669.36	General Revenue Fund	708,578.36
Cancelled Vouchers	50.00	Refunded	2,141.00
Special Fuel Use Tax - 6.5¢	299,320.58	Counties for Roads	65,787.72
Balance, July 1, 1985	6,664.11	County Bridge Improvement Fund	22,683.04
		General Revenue Fund	219.99
		Oklahoma Tax Commission Fund	8,165.90
		State Highway Fund	198,023.10
		Refunded	3,564.03
		Reserve*	7,540.91
Special Fuel Use Tax - 1¢ HB 741	45,993.34	State Highway Fund	45,975.33
		Refunded	18.01
Special Fuel Use Tax - 1¢ HB 549	45,993.34	Counties for Roads	45,822.07
		General Revenue Fund	153.26
		Refunded	18.01
Special Fuel Use Tax - 1¢ SB 55	41,167.04	County Road Improvement Rev. Fd.	41,163.88
		Refunded	3.16
Special Fuel Use Tax - ½¢	23,024.70	Counties for Roads	22,938.96
		General Revenue Fund	76.71
		Refunded	9.03
Special Indemnity Fund	6,660,490.92	Special Indemnity Fund	6,644,239.08
		Refunded	16,251.84
Special Printing Account	134,284.63	Okla. Tax Commission Printing Fund	134,073.23
		Refunded	211.40
Surplus Sales	4,505.40	Surplus Sales Fund	4,505.40

STATE REVENUE AND APPORTIONMENT

WHERE IT COMES FROM		WHERE IT GOES	
Tax Security Fund	$ 516,155.32	General Revenue Fund	$ 202.00
Balance, July 1, 1985	388,522.00	Refunded	251,080.53
		Reserve*	653,394.79
Tobacco Products License	390.00	General Revenue Fund	390.00
Tobacco Products Tax	6,942,525.59	General Revenue Fund	6,286,010.01
		Human Services Fund	656,507.57
		Refunded	8.01
Transport & Reclaimer Fees	29,460.24	Reserve*	29,460.24
Unclaimed Property Tax	5,484,179.33	General Revenue Fund	3,314,839.46
Balance, July 1, 1985	52,133.94	Unclaimed Property Fund	150,000.00
Cancelled Vouchers	47,487.93	Refunded	1,968,961.74
		Reserve*	150,000.00
Unclassified Receipts	(241,036.07)	Refunded	385.25
Balance, July 1, 1985	1,419,072.40	Reserve*	1,177,651.08
Use Tax (State Only)	33,297,925.73	General Revenue Fund	33,207,741.82
		Refunded	90,183.91
Used Equipment License	9,940.00	Used Equipment Fund	9,940.00
Vehicle Revenue Tax Stamps	15,062.61	Mtr. Veh. Registration Fund	15,062.61
Warrant Intercept Account	994,742.15	Transfer	994,742.15
Balance, July 1, 1985	57,536.33	Reserve*	94,932.82
Adjustment	37,396.49		
Workers Compensation Insurance Premium Tax	3,624,870.00	Workers Comp. Admin. Fund	3,613,584.26
Cancelled Vouchers	93.85	Refunded	11,379.59
TOTAL TO ACCOUNT FOR	**$ 3,116,269,626.91**		**$ 3,116,269,626.91**

*Reserve—Funds held in litigation or for other disposition.

REVENUE GROWTH* FROM MAJOR TAX SOURCES

FISCAL YEAR	ALCOHOLIC BEVERAGE TAX	BEVERAGE TAX & LICENSE	CIGARETTE TAX & LICENSE
1945-46	$	$ 5,488,655.67	$ 7,249,828.22
1946-47	.....	4,830,205.26	7,736,681.80
1947-48	.....	5,329,157.80	8,177,159.56
1948-49	.....	4,940,122.89	8,449,317.55
1949-50	.....	4,797,395.77	9,384,194.27
1950-51	.....	4,587,760.15	9,529,222.02
1951-52	.....	6,209,443.15	9,800,629.63
1952-53	.....	6,490,387.73	10,198,810.04
1953-54	.....	6,159,393.03	9,943,376.46
1954-55	.....	6,334,884.99	9,842,419.96
1955-56	.....	6,330,541.91	10,266,960.14
1956-57	.....	6,194,571.28	10,590,545.82
1957-58	.....	6,180,970.62	11,082,468.47
1958-59	.....	6,768,034.97	11,878,963.91
1959-60	8,252,365.58	6,444,931.49	12,750,426.24
1960-61	5,408,239.99	6,343,214.94	13,570,085.29
1961-62	5,942,611.22	6,392,178.42	18,386,046.31
1962-63	6,172,589.07	6,626,188.60	18,917,293.85
1963-64	6,375,723.07	7,038,089.76	18,904,551.72
1964-65	7,241,210.74	6,993,998.39	19,434,869.83
1965-66	6,865,260.09	7,280,238.36	22,538,572.17
1966-67	7,714,846.71	7,624,281.73	22,546,388.15
1967-68	8,117,587.05	8,021,254.33	25,688,689.00
1968-69	9,115,831.85	8,736,012.70	34,453,242.98
1969-70	8,927,264.51	9,648,644.02	34,972,561.61
1970-71	9,837,643.53	10,299,673.79	37,303,640.37
1971-72	18,165,341.37	11,256,536.55	39,909,171.79
1972-73	17,280,757.51	11,750,843.23	41,014,461.36
1973-74	17,781,604.60	12,696,822.31	43,594,951.75
1974-75	16,659,217.04	13,186,703.66	45,157,285.98
1975-76	18,962,687.35	14,059,550.50	47,163,287.26
1976-77	19,483,500.39	14,889,028.60	48,739,428.06
1977-78	20,501,056.53	16,400,542.43	50,656,351.84
1978-79	20,641,800.27	17,228,037.29	51,146,510.10
1979-80	20,033,037.65	17,839,803.05	72,184,088.34
1980-81	22,608,530.14	19,124,697.63	75,409,357.64
1981-82	26,936,113.35	20,750,346.44	79,105,682.56
1982-83	21,528,188.11	20,609,067.22	77,316,825.67
1983-84	22,070,964.24	19,064,009.01	74,400,966.93
1984-85	24,331,611.21	18,830,715.27	72,283,974.78
1985-86	21,759,685.17	18,887,456.81	68,549,166.47

*Based on Gross Revenues.

FROM FISCAL 1946 THROUGH FISCAL 1986

CORPORATION FRANCHISE	ESTATE TAX	GASOLINE & FUELS EXCISE	FISCAL YEAR
$ 995,875.10	$ 1,319,094.83	$ 27,504,716.58	1945-46
1,040,901.20	1,463,679.72	28,441,000.37	1946-47
1,153,229.81	1,502,442.59	25,739,256.73	1947-48
1,389,900.43	1,449,229.12	27,879,278.00	1948-49
1,672,148.99	2,222,705.38	36,071,171.15	1949-50
1,825,166.35	3,006,348.80	39,278,724.98	1950-51
1,988,274.33	3,003,721.61	41,818,324.01	1951-52
2,092,163.53	2,704,338.72	43,945,403.23	1952-53
2,276,940.02	3,032,109.88	45,574,896.57	1953-54
2,355,942.67	2,750,296.01	46,742,281.85	1954-55
2,477,917.28	3,482,163.81	50,137,283.36	1955-56
2,645,871.54	3,566,507.91	50,984,952.31	1956-57
2,890,595.77	4,562,416.08	54,846,236.94	1957-58
2,982,651.85	4,621,476.34	53,814,165.59	1958-59
3,154,778.35	5,752,256.18	55,680,791.04	1959-60
3,322,831.23	6,538,538.95	56,824,240.65	1960-61
3,447,140.71	6,723,866.97	59,142,245.82	1961-62
3,665,486.17	6,496,387.76	61,537,994.74	1962-63
3,864,847.28	8,935,997.16	63,307,715.03	1963-64
4,125,685.22	8,815,499.23	65,839,606.73	1964-65
4,477,839.32	11,391,330.87	69,133,068.41	1965-66
4,663,843.51	12,405,978.94	72,066,909.13	1966-67
4,980,668.07	11,699,811.73	74,483,877.08	1967-68
5,303,351.84	13,508,933.86	79,304,182.62	1968-69
5,781,884.27	12,703,518.94	83,454,785.75	1969-70
6,232,399.64	15,190,111.12	88,406,749.85	1970-71
6,457,471.52	17,073,290.71	93,630,513.95	1971-72
7,358,957.30	15,293,408.92	98,633,994.47	1972-73
7,296,797.37	20,071,339.06	99,687,468.37	1973-74
8,623,168.70	22,886,662.38	99,895,219.07	1974-75
9,518,683.91	20,952,451.41	104,870,742.04	1975-76
10,754,431.22	19,615,141.68	110,020,416.66	1976-77
11,847,895.20	22,848,736.52	111,725,367.84	1977-78
13,351,141.05	25,996,023.58	119,655,208.44	1978-79
16,381,459.92	26,949,620.20	110,308,844.10	1979-80
17,898,346.71	37,249,569.43	107,345,955.18	1980-81
21,157,453.08	41,041,076.00	112,726,757.40	1981-82
26,197,931.67	33,540,812.60	102,477,585.90	1982-83
29,816,622.05	32,786,149.10	117,753,293.79	1983-84
31,226,619.30	38,904,438.90	154,037,835.20	1984-85
31,483,361.37	40,338,032.52	166,151,370.53	1985-86

REVENUE GROWTH* FROM MAJOR TAX SOURCES

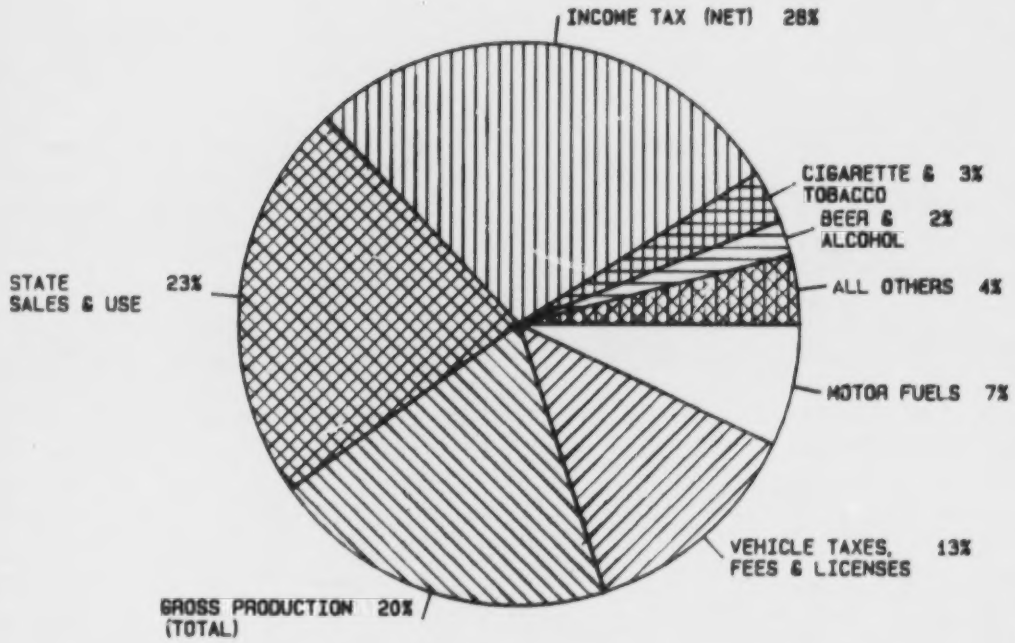
FISCAL YEAR	GROSS PRODUCTION (SEVERANCE)	INCOME TAX
1945-46	$ 10,107,081.19	$ 12,611,654.11
1946-47	11,965,026.82	14,605,943.65
1947-48	17,293,317.01	15,228,544.68
1948-49	21,444,140.61	17,089,359.56
1949-50	20,329,562.12	15,153,138.20
1950-51	24,193,359.80	17,005,552.83
1951-52	25,692,679.30	18,545,116.21
1952-53	26,984,830.23	17,907,189.79
1953-54	30,732,657.01	17,255,397.72
1954-55	28,632,631.73	19,005,657.21
1955-56	31,724,334.17	21,921,722.76
1956-57	33,605,461.50	23,020,641.55
1957-58	33,716,040.36	24,337,935.13
1958-59	33,349,638.75	26,241,299.98
1959-60	32,400,303.21	28,945,487.86
1960-61	33,374,252.78	32,559,077.83
1961-62	33,856,312.27	43,696,849.10
1962-63	34,998,939.47	47,161,430.28
1963-64	37,286,837.19	47,448,612.01
1964-65	37,794,416.27	49,690,584.68
1965-66	39,213,524.83	57,570,285.74
1966-67	44,657,184.92	61,519,173.30
1967-68	44,795,606.78	73,346,984.86
1968-69	47,085,557.28	79,802,312.86
1969-70	49,350,182.76	89,775,602.14
1970-71	50,099,009.96	92,108,613.54
1971-72	72,164,220.11	140,731,412.68
1972-73	70,326,972.18	162,241,180.41
1973-74	96,760,350.42	187,631,342.74
1974-75	128,113,440.31	247,097,455.04
1975-76	151,797,146.88	287,942,002.24
1976-77	191,440,843.49	343,731,608.05
1977-78	218,631,630.99	409,072,709.77
1978-79	244,796,192.03	498,263,613.41
1979-80	404,823,755.27	587,193,987.97
1980-81	573,143,749.27	732,491,215.68
1981-82	719,815,453.52	910,117,696.27
1982-83	757,158,759.33	937,761,228.50
1983-84	690,535,543.74	934,043,644.54
1984-85	691,895,910.31	1,016,112,851.65
1985-86	557,997,023.88	1,011,481,103.62

*Based on Gross Revenues.

FROM FISCAL 1946 THROUGH FISCAL 1986

STATE SALES TAX	TOBACCO TAX & LICENSE	FISCAL YEAR
$ 23,274,658.85	$ 1,098,775.92	1945-46
28,067,038.59	1,153,627.94	1946-47
31,676,974.85	1,195,615.58	1947-48
33,487,164.74	1,210,608.66	1948-49
33,449,658.32	1,213,680.98	1949-50
37,412,278.49	1,189,568.27	1950-51
39,284,621.62	1,178,525.98	1951-52
41,503,346.83	1,159,219.86	1952-53
41,634,625.38	1,125,784.85	1953-54
44,415,570.38	1,109,453.76	1954-55
46,978,154.29	1,049,391.50	1955-56
47,393,565.39	1,007,306.46	1956-57
48,273,282.30	1,142,619.23	1957-58
52,321,440.11	1,270,957.03	1958-59
53,641,921.36	1,361,485.26	1959-60
55,131,118.72	1,416,094.33	1960-61
57,343,766.01	2,097,117.43	1961-62
60,078,109.83	2,014,208.52	1962-63
63,545,355.95	2,344,124.46	1963-64
66,181,222.48	2,365,967.58	1964-65
70,471,943.06	2,248,892.84	1965-66
72,140,366.16	2,136,550.68	1966-67
75,654,940.50	2,652,635.82	1967-68
82,802,591.21	3,117,818.54	1968-69
88,867,949.11	3,237,187.32	1969-70
95,037,837.09	3,393,670.61	1970-71
106,623,323.56	3,309,548.78	1971-72
116,494,290.64	3,380,743.79	1972-73
134,285,860.19	3,274,496.01	1973-74
149,815,232.24	3,517,468.85	1974-75
168,981,395.59	3,612,921.65	1975-76
190,864,384.72	3,730,818.92	1976-77
224,177,883.54	3,916,927.20	1977-78
257,965,707.26	4,173,111.51	1978-79
295,037,646.58	4,437,593.16	1979-80
356,759,065.80	4,052,476.40	1980-81
436,942,144.44	3,413,307.81	1981-82
381,033,622.58	3,433,998.66	1982-83
433,697,267.07	3,286,404.37	1983-84
595,528,804.28	3,141,879.57	1984-85
617,945,936.26	6,942,915.59	1985-86

HOW YOU PAID IT


INCOME TAX (NET) 28%
CIGARETTE & TOBACCO 3%
BEER & ALCOHOL 2%
ALL OTHERS 4%
MOTOR FUELS 7%
VEHICLE TAXES, FEES & LICENSES 13%
GROSS PRODUCTION (TOTAL) 20%
STATE SALES & USE 23%

WHAT IT PAID FOR